



# California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

## News Release

FOR IMMEDIATE RELEASE

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### **PUC ADOPTS NEW ELECTRICITY RATE PLAN FOR PG&E AND EDISON TO PROMOTE CALIFORNIA'S ECONOMY**

SAN FRANCISCO, September 8, 2005 - The California Public Utilities Commission (PUC) today took a proactive step toward reducing the economic hardship of electricity prices by adopting economic development electricity rates for Pacific Gas and Electric Company (PG&E) and Southern California Edison in order to attract, expand, and retain business in California.

The Commission determined that the implementation of successful economic development rates would spur new business and investment in the state. That, in turn, would benefit ratepayers directly by increasing the revenues available to contribute to the utilities' fixed costs of doing business, thus lowering rates to other customers. In addition to direct benefits to other ratepayers, economic attraction and retention activities also provide indirect benefits to ratepayers in the form of increased employment opportunities and improved overall local and economic vitality.

"The fact that the Commission's policy of evaluating utility applications for economic development rates on a case-by-case basis may have been responsible for a prominent California business (Amy's Kitchen) locating a major expansion out of state is reprehensible," said PUC Commissioner Susan P. Kennedy. "Today we have given the utilities the discretion to extend economic development rates to qualified candidates, taking an important step toward ensuring that energy rates no longer act as a hindrance to companies looking to do business in California."

The economic development rate agreements will provide participating customers a discount from the customer's otherwise applicable tariff beginning at 25 percent, and declining by 5 percent each year over a five-year term. These options will be available to customers whose demands exceed 200 kilowatts (kW), provided the customer can demonstrate that "but-for" the incentive provided by the economic development rate agreement, the customer would not retain its load in PG&E's or

Edison's service territory, or would not otherwise locate or expand its load in California. These options will be available to eligible customers until Dec. 31, 2009.

For more information on the PUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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